

1920, they have witnessed the changing of our Nation—a World War, the challenge of the Last Frontier, 15 Presidents, and the anticipation of a new century. However, through these many transformations, their union has been a brilliant fixture.

Mr. Speaker, the Shreves are a shining example to all Americans about the value of a loving family, and I am proud to represent them in Congress. It is my hope that they have many more years of happiness.

MEDICARE AND THE ILLUSIONS OF PROTECTION

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 14, 1995

Mr. HASTERT. Mr. Speaker, the following article by Robert Goldberg ran in the Washington Times on December 6, 1995. Mr. Goldberg does an excellent job of explaining why the current Medicare system is in dire need of an injection of quality-based competition and incentives. As the Medicare debate continues, I commend this article to my colleagues:

MEDICARE AND THE ILLUSIONS OF PROTECTION

(By Robert M. Goldberg)

For all the rhetoric about how the Republican plan will bring misery and financial hardship to millions of Medicare beneficiaries, the fact is you couldn't design a better system than the current one to achieve that goal.

Medicare's financial problems are largely the direct result of its subpar treatment of the chronically ill. In particular, seniors bear an unnecessary financial and medical burden in the form of higher out-of-pocket expenses and costly supplemental health insurance.

Worse, because Medicare pays for all care regardless of its quality and outcome, the elderly—thinking that Medicare offers them health security—are actually spending billions on health care services that add nothing to their well-being. Those who are fighting Medicare reforms are perpetuating a system that makes the elderly sicker than they have to be for longer periods of time than they should.

At the heart of the problem are Medicare's price controls which get people out of hospitals quicker (so providers can keep the difference between what they spend and what Medicare pays for), but leaves them sicker as a result. For example, a University of California at Los Angeles medical school study of seniors hospitalized for depression found that Medicare's price controls led to more care without any additional benefit to patients. The income doctors and hospitals lost because of price controls was made up by increasing the volume of services provided.

Similarly, sub-optimal care has contributed to the 20-percent-a-year growth in home health services under Medicare. For instance, studies show that Medicare regulations increase the number of elderly with hip fractures that were discharged before they were fully well. As a result, more people had to rely on home health care or be sent to nursing homes for longer periods of time after the fracture. And a Rand Corp. study found that Medicare's regulations increased by 50 percent the chances that patients will be sent home in an unstable condition. The number of patients remaining in nursing homes one year after the fracture suggests that their quality of care had deteriorated.

Overall, a study of a national sample of Medicare patients found that patients are more likely to be sick or die after discharge than they were before the current set of Medicare regulations were imposed.

In fact, because premiums and deductibles have not increased for more than a decade, Medicare only provided the illusion of protection. And, the elderly pay a hidden tax in the form of higher out-of-pocket expenses and supplemental insurance coverage called Medigap, due to Medicare's mismanagement of medicine.

There is a little evidence that the additional coverage increases well-being. Seniors with Medigap spend up to 70 percent more on health care than seniors with Medicare coverage alone, regardless of their health status. These are the dirty little secrets that defenders of the current Medicare system will never reveal to America's seniors.

Medicare can be and is being made less expensive with medical innovations that make it more humane and more responsive. One such effect is the Healthy Seniors Program, created by The Carondelet Health Plan, in Tucson, Ariz. Gerry Lamb, the director of the program notes it is designed for the "elderly with serious chronic illness, those who constitute the highest costs, fastest growing health service group." Healthy Seniors provides examinations, service and individual assistance to reduce the incidence of serious and expensive episodes of illness. The result is dramatic: Participation in the Healthy Seniors program use fewer medical services than those who do not, saving nearly \$6,000 per patient each year. Notes Mr. Lamb, who is a nurse practitioner: "There are huge dollars to be saved from dealing with chronic illness early, rather than in the hospital and emergency rooms".

In fact, the proposition that better care saves money is the foundation for transforming entire private sector health care system. The Business Health Care Action Group (BHCAG), a coalition of 21 of the largest employers in Minnesota, provides a dramatic example of such initiatives. Starting in 1997, BHCAG's 1.5 million employees and retirees will be given vouchers that will be used to purchase health care from different groups. Medical providers will have to furnish consumers with patient-level information on how they improve the health of people with chronic conditions which afflict the elderly most such as stroke, hip fractures, heart disease and arthritis. BHCAG projects that with a greater investment in quality, the voucher system will be able to reduce the rate of spending 5 percent to 15 percent each year compared to other managed care approaches.

Rhetoric and emotion aside, quality-based competition and incentives are at the heart of the GOP plan. Such quality-driven reductions in spending are possible if Medicare is dramatically changes. Providers need to be placed at risk for making such savings while at the same time they are required to compete for business in terms of the quality of care they can offer. The Republican Medicare plan isn't perfect, but it does take health care for seniors in this direction.

As for Democratic and federally funded senior group efforts to save Medicare as we know it, they condemn this generation of elderly and the next to substandard care. House speaker Newt Gingrich is right: The faster the government-run Medicare program withers on the vine, the sooner it will stop taking dollars out of the pockets of seniors in order to prop up an obsolete health plan that undermines their quality of life.

REPORT ON RESOLUTION PROVIDING FOR DEBATE AND CONSIDERATION OF THREE MEASURES RELATING TO U.S. TROOP DEPLOYMENTS IN BOSNIA

SPEECH OF

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 13, 1995

Mr. COSTELLO. Mr. Speaker, I rise today to articulate my position on the President's policy of sending 20,000 American troops to Bosnia.

I oppose, and have voted consistently in Congress to oppose, the introduction of United States ground troops into Bosnia. I do not believe that American soldiers should be on the frontlines of a multiethnic, quasi-religious conflict that dates back several hundred years. My position has been that we should have lifted the arms embargo against the Bosnians long ago, so that they could have defended themselves against Serbian aggression and helped put an end to the slaughter. It was clear that one reason the three parties came to the table in Dayton was the increasing strength of the Bosnian resistance.

I believe that this war, which has raged for 3 years with massive losses of life, is in the heart of Europe and is primarily a European responsibility. That is why I have opposed sending our soldiers into the heart of Bosnia to police the peace agreement signed in Dayton.

Let me make it clear, however, that I do believe the United States has a responsibility to our NATO allies and the world to assist in this effort. This terrible slaughter can and should end, and our diplomatic efforts to bring about a peace agreement have been admirable. With a real, signed agreement at hand, our European allies would use our air support, intelligence capability, and humanitarian efforts to accomplish this mission.

Unfortunately, the President believes the United States has a responsibility to put our soldiers—along with the French and the British—on the Bosnian frontlines. It is a policy I do not agree with.

Today, we are voting on three different resolutions.

The Dornan resolution would cut off funding to the troops stationed in Bosnia, some of which are already in or on their way to that country.

The Skelton resolution would express opposition to this policy, in particular the introduction of ground troops into Bosnia, but would also express support for our troops there.

Finally, the Hamilton resolution would express approval for the President's policy of sending ground troops to Bosnia and unequivocal support for the men and women of the United States Armed Forces who have been stationed there by their Commander in Chief, President Clinton.

I oppose the Dornan resolution for two reasons: First, our troops are on their way to Bosnia with some already in the Balkans, and to cut off their funding while they are in Bosnia would put them in serious danger; and second, the President has said he would veto the legislation if approved by the Congress, and given that fact, passage of this particular resolution would tell our troops, our soldiers, that they do not have the full support of the American people or their representatives. That is